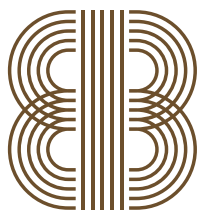


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E. BON HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

怡邦行控股有限公司

(Stock Code: 599)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2024

The Board of Directors (the “Board”) of E. Bon Holdings Limited (the “Company”) is pleased to announce the unaudited condensed consolidated results of the Company and its subsidiaries (together the “Group”) for the six months ended 30 September 2024 (the “period”).

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2024

		Unaudited Six months ended 30 September	
		2024	2023
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Revenue	4	236,532	213,973
Cost of sales		<u>(153,633)</u>	<u>(120,047)</u>
Gross profit		82,899	93,926
Other income	4	283	–
Other gains/(losses), net	4	1,131	(2,338)
Distribution costs		(39,957)	(43,999)
Administrative expenses		<u>(30,642)</u>	<u>(35,226)</u>
Operating profit		13,714	12,363
Finance costs, net	5	<u>(1,655)</u>	<u>(1,711)</u>
Profit before income tax	6	12,059	10,652
Income tax expense	7	<u>(3,173)</u>	<u>(2,241)</u>
Profit for the period attributable to equity holders of the Company		<u>8,886</u>	<u>8,411</u>

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (Continued)

		Unaudited	
		Six months ended	
		30 September	
		2024	2023
	<i>Notes</i>	HK\$'000	HK\$'000
Other comprehensive income			
<i>Item that may be subsequently reclassified to profit or loss</i>			
Exchange (loss)/gain on translation of financial statements of foreign operations		<u>(101)</u>	<u>152</u>
Other comprehensive (loss)/income for the period, net of tax		<u>(101)</u>	<u>152</u>
Total comprehensive income for the period attributable to equity holders of the Company		<u><u>8,785</u></u>	<u><u>8,563</u></u>
Earnings per share (expressed in HK cents per share)			
— Basic and diluted	9	<u><u>HK1.2 cents</u></u>	<u><u>HK1.2 cents</u></u>

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2024

		Unaudited	Audited
		30 September	31 March
		2024	2024
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
ASSETS			
Non-current assets			
Property, plant and equipment		278,092	282,812
Right-of-use assets		35,265	37,344
Deferred income tax assets		5,331	5,325
Retention and other receivables	<i>11</i>	5,903	4,840
		<u>324,591</u>	<u>330,321</u>
Current assets			
Inventories		142,426	169,712
Trade, retention and other receivables	<i>11</i>	132,326	115,145
Contract assets	<i>11</i>	2,072	3,837
Current income tax recoverable		4,298	4,394
Derivative financial assets	<i>13</i>	21	–
Time deposits with maturity over three months		33,579	30,309
Cash and cash equivalents		50,719	57,377
		<u>365,441</u>	<u>380,774</u>
Total assets		690,032	711,095
EQUITY			
Equity attributable to equity holders of the Company			
Share capital		71,884	71,884
Reserves		432,394	423,609
Total equity		504,278	495,493

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(Continued)

		Unaudited	Audited
		30 September	31 March
		2024	2024
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
LIABILITIES			
Non-current liabilities			
Other provision	12	4,782	4,782
Lease liabilities		16,464	19,418
Deferred income tax liabilities		14,500	14,500
		<u>35,746</u>	<u>38,700</u>
Current liabilities			
Trade and other payables	12	25,738	30,977
Contract liabilities	12	67,607	62,804
Lease liabilities		20,798	19,406
Borrowings		27,506	58,602
Current income tax liabilities		8,359	5,113
		<u>150,008</u>	<u>176,902</u>
Total liabilities		<u>185,754</u>	<u>215,602</u>
Total equity and liabilities		<u>690,032</u>	<u>711,095</u>

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2024

	Unaudited								
	Share Capital HK\$'000	Share premium HK\$'000	Revaluation reserve HK\$'000	Merger reserve HK\$'000	Capital reserve HK\$'000	Exchange reserve HK\$'000	Statutory reserve HK\$'000	Retained earnings HK\$'000	Total HK\$'000
At 1 April 2023	71,884	10,784	141,637	6,979	2,896	(228)	2,241	260,522	496,715
Profit for the period	-	-	-	-	-	-	-	8,411	8,411
Exchange gain on translation of financial statements of foreign operations	-	-	-	-	-	152	-	-	152
Total comprehensive income for the period	-	-	-	-	-	152	-	8,411	8,563
Dividends	-	-	-	-	-	-	-	(3,594)	(3,594)
Appropriation to statutory reserve	-	-	-	-	-	-	(160)	160	-
Transactions with owners	-	-	-	-	-	-	(160)	(3,434)	(3,594)
At 30 September 2023	<u>71,884</u>	<u>10,784</u>	<u>141,637</u>	<u>6,979</u>	<u>2,896</u>	<u>(76)</u>	<u>2,081</u>	<u>265,499</u>	<u>501,684</u>
At 1 April 2024	<u>71,884</u>	<u>10,784</u>	<u>135,311</u>	<u>6,979</u>	<u>2,896</u>	<u>(73)</u>	<u>2,079</u>	<u>265,633</u>	<u>495,493</u>
Profit for the period	-	-	-	-	-	-	-	8,886	8,886
Exchange loss on translation of financial statements of foreign operations	-	-	-	-	-	(101)	-	-	(101)
Total comprehensive income for the period	-	-	-	-	-	(101)	-	8,886	8,785
Appropriation to statutory reserve	-	-	-	-	-	-	(3)	3	-
Transactions with owners	-	-	-	-	-	-	(3)	3	-
At 30 September 2024	<u>71,884</u>	<u>10,784</u>	<u>135,311</u>	<u>6,979</u>	<u>2,896</u>	<u>(174)</u>	<u>2,076</u>	<u>274,522</u>	<u>504,278</u>

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENT

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES

This unaudited interim condensed consolidated financial statements for the six months ended 30 September 2024 has been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34 “Interim financial reporting” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”).

The interim condensed consolidated financial statements should be read in conjunction with the consolidated financial statements for the year ended 31 March 2024, which have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”).

1.1 Accounting policies

Except as described below, the accounting policies applied to prepare this unaudited interim condensed consolidated financial information are consistent with those of the consolidated financial statements for the year ended 31 March 2024.

(a) New standards and amendments to standards adopted by the Group

A number of new or amended standards became applicable for the current reporting period and have been adopted by the Group for the first time for the financial year beginning on 1 April 2024:

HKAS 1 (Amendments)	Classification of Liabilities as Current or Non-current
HKAS 1 (Amendments)	Non-current Liabilities with Covenants
Hong Kong Interpretation 5 (2020) (Revised)	Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause
HKFRS 16 (amendment)	Lease liability in a Sale and Leaseback
HKAS 7 and HKFRS 7 (amendment)	Supplier Finance Arrangements

The adoption of the above new amendments to standards did not have any significant financial impact on these condensed consolidated interim financial statements.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

1.1 Accounting policies (Continued)

(b) *New standards and amendments to existing standards have been published but are not yet effective and which the Group has not early adopted*

		Effective for annual periods beginning on or after
HKAS 21 and HKFRS 1 (amendments)	Lack of Exchangeability	1 January 2025
HKFRS 9 and HKFRS 7 (Amendments)	Amendments to the Classification and Measurement of Financial Instruments (amendments)	1 January 2026
HKFRS 18	Presentation of Financial Statements	1 January 2027
HKFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
HK Int 5 (amendment)	Presentation of Financial Statements – Classification by the Borrower of the Term Loan that Contains a Repayment on Demand Clause	1 January 2027
HKFRS 10 and HKAS 28 (amendment)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

Management is in the process of making an assessment of the impact of the above new standards and amendments to standards but is not yet in a position to state whether they will result in substantial changes to the Group's significant accounting policies and the presentation of its financial statements.

2. ESTIMATES

The preparation of interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this interim financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 March 2024.

3. FINANCIAL RISK MANAGEMENT

Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including interest rate risk and foreign currency risk), credit risk and liquidity risk.

The interim financial information does not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at 31 March 2024.

There have been no changes in the risk management controls or in any risk management policies since the year ended 31 March 2024.

4. REVENUE, OTHER INCOME, OTHER GAINS/(LOSSES), NET AND SEGMENT INFORMATION (Continued)

The Group's reportable operating segments are as follows:

- Architectural builders' hardware, bathroom collections and others segment — importing, wholesale and retail of architectural builders' hardware and bathroom collections and others
- Kitchen collection and furniture segment — designing, importing, wholesale, retail and installation of kitchen collections and furniture, interior design services, project and contract management

The measurement policies the Group used for reporting segment results under HKFRS 8 are the same as those used in its consolidated financial statements prepared under HKFRSs.

The Executive Directors assess the performance of the operating segments based on the measure of gross profit. Other operating income and expenses are not allocated to the operating segments as the information is not regularly reviewed by the Executive Directors.

Segment assets include all assets but exclude current income tax recoverable, deferred income tax assets, time deposits with maturity over three months, derivative financial assets, cash and cash equivalents, property, plant and equipment related to the office premises and warehouse of the Group and other corporate assets which are managed on central basis and are not directly attributable to the business activities of any operating segment.

Segment liabilities include all liabilities but exclude current and deferred income tax liabilities, borrowings (excluding trust receipt loans) and other corporate liabilities which are managed on central basis and are not directly attributable to the business activities of any operating segment.

	Unaudited		
	Six months ended 30 September 2024		
	Architectural builders' hardware, bathroom collection and others HK\$'000	Kitchen collections and furniture HK\$'000	Total HK\$'000
Reportable segment revenue from external customers	166,355	70,177	236,532
Reportable segment cost of sales	(107,705)	(45,928)	(153,633)
Reportable segment gross profit	58,650	24,249	82,899
Depreciation of property, plant and equipment	(2,725)	(1,421)	(4,146)
Depreciation of right-of-use assets	(8,533)	(3,659)	(12,192)
(Provision for)/reversal of provision for inventory obsolescence	(590)	462	(128)
Finance income	717	6	723
Finance costs	(1,216)	(1,162)	(2,378)
Reportable segment assets	273,119	107,794	380,913
Additions to non-current segment assets during the period	395	3,604	3,999
Reportable segment liabilities	82,832	55,074	137,906

4. REVENUE, OTHER INCOME, OTHER GAINS/(LOSSES), NET AND SEGMENT INFORMATION
(Continued)

	Unaudited		
	Six months ended 30 September 2023		
	Architectural builders' hardware, bathroom collection and others <i>HK\$'000</i>	Kitchen collections and furniture <i>HK\$'000</i>	Total <i>HK\$'000</i>
Reportable segment revenue from external customers	159,166	54,807	213,973
Reportable segment cost of sales	(90,978)	(29,069)	(120,047)
Reportable segment gross profit	<u>68,188</u>	<u>25,738</u>	<u>93,926</u>
Depreciation of property, plant and equipment	(3,889)	(2,831)	(6,720)
Depreciation of right-of-use assets	(8,655)	(9,257)	(17,912)
(Provision for)/reversal of provision for inventory obsolescence	(17)	401	384
Finance income	963	13	976
Finance costs	(1,652)	(1,035)	(2,687)
	<u></u>	<u></u>	<u></u>
	Audited		
	As at 31 March 2024		
	Architectural builders' hardware, bathroom collection and others <i>HK\$'000</i>	Kitchen collections and furniture <i>HK\$'000</i>	Total <i>HK\$'000</i>
Reportable segment assets	290,676	100,783	391,459
Additions to non-current segment assets during the year	829	8,812	9,641
Reportable segment liabilities	<u>87,671</u>	<u>74,035</u>	<u>161,706</u>

**4. REVENUE, OTHER INCOME, OTHER GAINS/(LOSSES), NET AND SEGMENT INFORMATION
(Continued)**

The totals presented for the Group's operating segments reconcile to the Group's key financial figures as presented in the condensed consolidated financial information as follows:

	Unaudited	
	Six months ended	
	30 September	
	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
Reportable segment gross profit	82,899	93,926
Group gross profit	82,899	93,926
	Unaudited	Audited
	As at	As at
	30 September	31 March
	2024	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
Reportable segment assets	380,913	391,459
Property, plant and equipment	215,050	221,805
Deferred income tax assets	5,331	5,325
Current income tax recoverable	4,298	4,394
Time deposits with maturity over three months	33,579	30,309
Cash and cash equivalents	50,719	57,377
Derivative financial assets	21	–
Other corporate assets	121	426
Group assets	690,032	711,095
Reportable segment liabilities	137,906	161,706
Borrowings	24,696	33,736
Current income tax liabilities	8,359	5,113
Deferred income tax liabilities	14,500	14,500
Other corporate liabilities	293	547
Group liabilities	185,754	215,602

4. REVENUE, OTHER INCOME, OTHER GAINS/(LOSSES), NET AND SEGMENT INFORMATION
(Continued)

Geographical information

	Revenue from external customers		Non-current assets (excluding financial assets and deferred income tax assets)	
	Unaudited Six months ended 30 September 2024	2023	Unaudited As at 30 September 2024	Audited As at 31 March 2024
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Hong Kong (domicile)	228,011	200,054	314,426	319,864
PRC	8,521	13,919	221	292
Total	<u>236,532</u>	<u>213,973</u>	<u>314,647</u>	<u>320,156</u>

5. FINANCE COSTS, NET

	Unaudited Six months ended 30 September	
	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
Finance costs		
Bank borrowings	1,337	1,615
Interest on lease liabilities	1,041	1,072
	<u>2,378</u>	<u>2,687</u>
Finance income		
Interest income	(723)	(976)
Finance costs, net	<u>1,655</u>	<u>1,711</u>

6. EXPENSES BY NATURE

	Unaudited	
	Six months ended	
	30 September	
	2024	2023
	HK\$'000	HK\$'000
Employee benefit expenses	31,565	30,921
Cost of inventories	142,576	114,623
Provision for/(reversal of provision for) inventory obsolescence, included cost of sales	128	(384)
Other direct costs, included in cost of sales	10,929	5,808
Depreciation of property, plant and equipment	8,718	10,253
Depreciation of right-of-use assets	12,192	17,912
Expenses relating to short-term lease	132	180
Legal and professional expenses	645	1,277
Building management fee	1,231	1,314
Electricity and water	613	875
Bank charges	666	852
Entertainment	1,062	1,331
Government rent and rates	783	1,068
Transportation	3,414	2,020
Storage charges	3,795	3,707
Printing and stationary	883	587
Travelling	407	562
Other expenses	4,493	6,366

7. INCOME TAX EXPENSE

Hong Kong profits tax has been provided at the rate of 16.5% (2023: 16.5%) on the estimated assessable profits for the period. The applicable tax rate of PRC subsidiaries of the Group is 25% (2023: 25%) for the period.

The charge comprises:

	Unaudited	
	Six months ended	
	30 September	
	2024	2023
	HK\$'000	HK\$'000
Current tax		
Hong Kong profits tax	3,173	2,239
PRC Corporate income tax	—	2
	<u>3,173</u>	<u>2,241</u>
Deferred taxation	—	—
Tax expense for the period	<u>3,173</u>	<u>2,241</u>

8. DIVIDEND

The Board does not declare payment of an interim dividend (2023: nil) for the six months ended 30 September 2024.

9. EARNINGS PER SHARE

(a) Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the years.

	Unaudited Six months ended 30 September	
	2024	2023
	<i>HK cent</i>	<i>HK cent</i>
Basic earnings per share attributable to the owners of the Company	<u>1.2</u>	<u>1.2</u>

(b) Diluted earnings per share

Diluted earnings per share for the year ended 30 September 2024 is the same as the basic earnings per share as there were no potentially dilutive ordinary shares issued (2023: nil).

(c) Reconciliations of earnings used in calculating earning per share

	Unaudited Six months ended 30 September	
	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
Basic earnings per share		
Profit attributable to the owners of the Company used in calculating basic earnings per share	<u>8,886</u>	<u>8,411</u>

	Unaudited Six months ended 30 September	
	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
Diluted earnings per share		
Profit attributable to the owners of the Company used in calculating diluted earnings per share	<u>8,886</u>	<u>8,411</u>

9. EARNINGS PER SHARE (Continued)

(d) Weighted average number of shares used as the denominator

	Unaudited	
	Six months ended	
	30 September	
	2024	2023
Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating basic and diluted earnings per share (<i>note</i>)	<u>718,838,942</u>	<u>718,838,942</u>

Note: Basic and diluted earnings per share for the period ended 30 September 2024 have been restated to take into account the effects of the bonus element in ordinary shares issued as a result of the rights issue of the Company completed in January 2023.

10. CAPITAL EXPENDITURE AND DISPOSAL

During the period, the Group incurred capital expenditure of approximately HK\$4,823,000 for property, plant and equipment (six months ended 30 September 2023: HK\$6,809,000) and disposed HK\$826,000 of the property, plant and equipment during the period (six months ended 30 September 2023: no disposal during the period.).

11. TRADE, RETENTION, OTHER RECEIVABLES AND CONTRACT ASSETS

Details of trade, retention, other receivables and contract assets as at 30 September 2024 are listed below:

	Unaudited	Audited
	As at	As at
	30 September	31 March
	2024	2024
	HK\$'000	HK\$'000
Trade receivables	115,051	96,532
Less: provision for impairment of trade receivables	<u>(1,903)</u>	<u>(1,886)</u>
	113,148	94,646
Retention receivables	1,072	1,147
Less: provision for impairment of retention receivables	<u>(281)</u>	<u>(274)</u>
	113,939	95,519
Contract assets	2,105	3,870
Less: provision for impairment of contract assets	<u>(33)</u>	<u>(33)</u>
	116,011	99,356
Other receivables, deposits and prepayments	<u>24,290</u>	<u>24,466</u>
	140,301	123,822
Less: non-current portion		
Retention receivables	–	(32)
Deposits and prepayments	<u>(5,903)</u>	<u>(4,808)</u>
Current portion	<u>134,398</u>	<u>118,982</u>

11. TRADE, RETENTION, OTHER RECEIVABLES AND CONTRACT ASSETS (Continued)

All non-current receivables are due within five years from the end of the respective reporting dates. The ageing analysis of trade receivables at the reporting date by invoice date is as follows:

	Unaudited As at 30 September 2024 <i>HK\$'000</i>	Audited As at 31 March 2024 <i>HK\$'000</i>
1–90 days	66,838	62,458
91–365 days	33,850	14,730
Over 365 days	14,363	19,344
	115,051	96,532

The majority of the Group's sales are with credit terms of 30 to 90 days, while some customers are granted an extended credit period of up to 120 days.

The Group applies the HKFRS 9 simplified approach to measure expected credit losses which uses a life time expected loss allowance for all trade and retention receivables and contract assets. Information about the impairment of these receivables and the Group's exposure to credit risk is consistent with those of the consolidated financial statements for the year ended 31 March 2024, as described in those annual financial statements.

12. TRADE AND OTHER PAYABLES AND CONTRACT LIABILITIES

Details of trade and other payables and contract liabilities as at 30 September 2024 are listed below:

	Unaudited As at 30 September 2024 <i>HK\$'000</i>	Audited As at 31 March 2024 <i>HK\$'000</i>
Trade payables	17,333	25,724
Accrued charges and other payables	8,405	5,253
Contract liabilities	67,607	62,804
Other provision	4,782	4,782
	98,127	98,563
Less: non-current portion		
Other provision	(4,782)	(4,782)
	93,345	93,781

12. TRADE AND OTHER PAYABLES AND CONTRACT LIABILITIES (Continued)

The ageing analysis of trade payables at the reporting date by invoice date is as follows:

	Unaudited As at 30 September 2024 <i>HK\$'000</i>	Audited As at 31 March 2024 <i>HK\$'000</i>
0–90 days	14,190	19,156
91–365 days	2,690	3,156
Over 365 days	453	3,412
	<u>17,333</u>	<u>25,724</u>

As at 30 September 2024, the carrying values of trade and other payables approximate their fair values (2023: same).

13. DERIVATIVE FINANCIAL ASSETS

	Unaudited As at 30 September 2024 Assets <i>HK\$'000</i>	Audited As at 31 March 2024 Assets <i>HK\$'000</i>
Not qualified for hedge accounting		
Foreign exchange forward contract, at market value (<i>Note</i>)	<u>21</u>	<u>–</u>

Note: The notional principal amounts of the outstanding foreign exchange forward contracts as at 30 September 2024 and 31 March 2024 are as follows:

	Unaudited As at 30 September 2024 <i>HK\$'000</i>	Audited As at 31 March 2024 <i>HK\$'000</i>
Sell HKD for EUR	<u>4,218</u>	<u>–</u>

REVIEW OF OPERATIONS

BUSINESS REVIEW

The principal activity of the Company is investment holding. Its subsidiaries are principally engaged in the importing, wholesale, retail and installation of architectural builders' hardware, bathroom, kitchen collections and furniture and provision of interior design services, project and contract management in Hong Kong and the People's Republic of China (the "PRC").

As highlighted in our annual report for 2024, persistent geopolitical tensions, inflation concerns, a high-interest rate environment, and slowing economic growth have significantly influenced global market sentiment. Hong Kong is no exception to these trends.

The ongoing Russia-Ukraine conflict has profoundly impacted global economies, particularly affecting commodities and agriculture, resulting in soaring food and energy prices. This directly impacts Hong Kong's economy as it affects the cost of imported goods and energy, potentially leading to higher production costs and inflation. Additionally, the conflict in the Middle East further complicates the geopolitical landscape. These escalating tensions create ripple effects across various sectors, driving up raw materials, food, and energy prices. The shift from globalisation to de-globalization, which involves countries reducing their dependence on global supply chains and adopting 'ally-shoring strategies' (a term referring to the practice of forming alliances with specific countries for trade and supply), intensifies inflationary pressures and dampens overall demand, resulting in a challenging environment for businesses worldwide.

Looking ahead, the administration of President-elect Trump may introduce new trade tensions with China, potentially affecting exports and economic growth through increased tariffs. Trump is known for his protectionist trade policies, including imposing tariffs on Chinese goods. If implemented, these measures could significantly impact Hong Kong's role as a major re-export hub for Chinese goods, potentially leading to a decline in re-export business and affecting the overall domestic market.

However, these changes in the United States (the "U.S.") trade policies could also present opportunities for China to diversify its trade relationships and bolster domestic industries. Additionally, geopolitical dynamics and foreign policy shifts could affect China's regional influence and economic partnerships, potentially opening up new avenues for growth. These significant challenges may motivate China to adapt and thrive in the evolving global economic landscape. Some experts believe that Trump's policies could also push China to focus more on its domestic economy, which might have long-term benefits.

Economic uncertainty can significantly impact Hong Kong consumer behaviour. When individuals lack confidence in the future, they often adopt a more cautious approach to spending. This hesitance can dampen consumer confidence, leading to a reduction in non-essential purchases and a heightened emphasis on saving. As a result, this shift may lead to decreased retail sales and overall consumer spending, contributing to a slowdown in economic growth due to reduced money circulation.

In the third quarter of 2024, Hong Kong's Gross Domestic Product (the "GDP") grew by 1.8% year-on-year, a slowdown compared to the second quarter, when it grew 3.2% year-on-year. The decrease was partly attributed to the downturn in re-export business, and private consumption has continued to decline as residents spend more money outside of Hong Kong, particularly in mainland China, which has negatively impacted local retailers and the overall domestic market. The slowdown in GDP growth could lead to a downward revision of the full-year economic growth forecast. This may affect investor confidence and the overall economic outlook for Hong Kong.

As of October 2024, the Hong Kong government generated approximately HK\$2.7 billion in land sales this year, far below the Government's 2024 annual target of HK\$33 billion. The Hong Kong government has reported that approximately 38,001 private residential units were sold in the first three quarters of 2024. In contrast, the total number of units sold for the whole year of 2023 was 43,002 and 45,050 units for the entire year of 2022. It indicates that private residential unit sales have slightly improved this year.

Despite an uncertain economic outlook, our revenue increased modestly compared to the previous year for the six months ended 30 September 2024.

Furthermore, the group has adopted a prudent strategy by launching high-quality residential projects in response to evolving market conditions. This strategy involves a careful assessment of market trends and consumer needs, leading to the development of projects that are well-suited to the current economic environment. One notable initiative is the KT Marina, a joint venture project in the Kai Tak runway area.

This year, we are cautiously optimistic about the Hong Kong real estate market and our business.

Nonetheless, our Group remains dedicated to leveraging our extensive expertise to maintain and enhance our relationships in both Hong Kong and China. We will continue collaborating with renowned property developers to sustain our momentum and capitalise on future opportunities.

REVENUE REVIEW

For the six months ended 30 September 2024, the Group's total turnover was HK\$236.5 million which was increased by 10.5% as compared with the previous first half-yearly period.

Revenue by business segment

	Revenue from external customers			As a percentage of sales	
	Unaudited			(<i>%</i>)	
	30 September 2024	2023	Change	30 September 2024	2023
	HK\$'000	HK\$'000	(<i>%</i>)		
Architectural builders' hardware, bathroom collections and others	166,355	159,166	4.5	70.3	74.4
Kitchen collection and furniture	70,177	54,807	28.0	29.7	25.6
	<u>236,532</u>	<u>213,973</u>	<u>10.5</u>	<u>100.0</u>	<u>100.0</u>

Profitability by business segment

	Reportable segment gross profit			Gross profit margin	
	Unaudited		Change	(%)	
	30 September	2023		2024	2023
	2024	2023		2024	2023
	HK\$'000	HK\$'000	(%)		
Architectural builders' hardware, bathroom collections and others	58,650	68,188	(14.0)	35.3	42.8
Kitchen collection and furniture	24,249	25,738	(5.8)	34.6	47.0
	82,899	93,926	(11.7)	35.0	43.9

Revenue from the architectural builders' hardware, bathroom collections and others segment increased by 4.5% to HK\$166.4 million as compared to the same period last year (2023: HK\$159.2 million). During the period, we supplied products for projects such as One Jardine's Lookout, One Stanley, Gold Coast Bay The Uppland and Uptown East.

Revenue from the kitchen collection and furniture segment increased by 28.0% to HK\$70.2 million as compared to the same period last year (2023: HK\$54.8 million).

The overall turnover of the Group increased by 10.5% to HK\$236.5 million (2023: HK\$214.0 million) as compared to the same period last year due to re-acceleration of completion of properties and the gross profit decreased by 11.7% to HK\$82.9 million (2023: HK\$93.9 million).

The Group's operating profit was HK\$13.7 million (2023: HK\$12.4 million), representing an increase of 10.9% from the same period last year. Profit after tax approximated HK\$8.9 million (2023: HK\$8.4 million), which increased by 5.6%, as compared to the corresponding period last year. The amount of administrative expenses and distribution costs recorded a decrease of 10.9% to HK\$70.6 million (2023: HK\$79.2 million) mainly contributing to the decrease of depreciation of right-of-use assets related to close down of showroom.

FINANCIAL REVIEW

Liquidity and Financial Resources

The Group continues to operate its business in Hong Kong and the PRC through the adoption of a prudent financial management policy. The current ratio and quick ratio are 2.4 (31 March 2024: 2.2) and 1.5 (31 March 2024: 1.2), respectively, while cash and cash equivalents and time deposits with maturity over three months approximated HK\$84.3 million as at 30 September 2024 (31 March 2024: HK\$87.7 million).

Inventories decreased to HK\$142.4 million (31 March 2024: HK\$169.7 million) mainly caused by acceleration of delivery products upon request of properties development. The trade, retention and other receivables increased to HK\$132.3 million (31 March 2024: HK\$115.1 million) mainly caused by increase in sales correspondingly, while the trade and other payables decreased to HK\$25.7 million (31 March 2024: HK\$31.0 million).

As at 30 September 2024, the gearing ratio (net debt divided by total equity) of the Group is not applicable as the Group had a net cash position (31 March 2024: 2.0%). The interest-bearing borrowings of the Group decreased to HK\$27.5 million (31 March 2024: HK\$58.6 million) as at 30 September 2024.

Treasury Policy

Borrowings, cash and cash equivalents are primarily denominated in Hong Kong Dollars (“HK\$”) and Euro (“Euro”). During the period, the Group entered into certain simple forward contracts to buy Euro for settlement of purchases. The management will continue to monitor the foreign exchange risk exposure of the Group.

Contingent Liabilities

We seek to manage our cash flow and capital commitments effectively to ensure that we have sufficient funds to meet our existing and future cash requirements. We have not experienced any difficulties in meeting our obligations as they become due. Assets under charge include mortgaged property acquired. As at 30 September 2024, performance bonds of approximately HK\$6.3 million (31 March 2024: HK\$7.9 million) have been issued by the Group to customers as security of contracts. Save for the performance bonds, the Group has no other material financial commitments and contingent liabilities as at 30 September 2024.

FUTURE PROSPECTS

The business review highlights that geopolitical factors continue to weaken economic activity and disrupt global supply chains, negatively impacting global economic growth. The financial outlook for China in 2025 is anticipated to be challenging, primarily due to expected policies from Donald Trump. His proposed tariff policy, which may impose nearly 60% tariffs on Chinese imports early next year, is projected to reduce China’s GDP growth by approximately 0.5 to 1 percentage point. This tariff increase could lead to decreased trade volumes and adversely affect industries that rely heavily on exports. Consequently, companies may reconsider their supply chains, potentially relocating manufacturing outside of China to mitigate the impact of these tariffs.

The ongoing weakness in the Chinese property market is also expected to further dampen economic growth. The repercussions of U.S. tariffs and trade policies will significantly affect Hong Kong’s re-export and other market sectors. As a major re-export hub for goods between China and the rest of the world, Hong Kong may confront higher costs for re-exports, making these goods less competitive in the global market. This scenario could result in decreased trade volumes and negatively impact businesses involved in logistics and shipping.

Overall, economic sentiment is crucial in influencing consumer behaviour, particularly travel. When consumers feel uncertain about the economy, they often cut back on discretionary spending, including travel, which could adversely affect Hong Kong's hospitality and tourism sectors.

Moreover, Hong Kong's financial sector may experience volatility due to uncertainties in the global trade environment. Investors could adopt a more cautious approach, leading to fluctuations in stock prices and investment flows. Additionally, companies may delay or reduce their investment plans, impacting financial services related to mergers, acquisitions, and capital raising. Lower economic growth could also affect government revenue from taxes and other sources, limiting its ability to fund public projects and services.

In response to these challenges, China will likely implement new stimulus measures to cushion its economy from the effects of U.S. tariffs. Such measures may include policies to increase government spending and bolster domestic consumption and investment. However, the uncertainty surrounding U.S.-China trade relations is expected to continue affecting investor confidence, leading to volatility in financial markets.

Conversely, China's potential fiscal measures to stabilise its financial environment could have positive spillover effects for Hong Kong. A stable monetary environment in China can enhance investor confidence in Hong Kong's markets, leading to increased investment and economic growth.

One of our core strengths lies in our well-established sales networks, which have been pivotal in maintaining steady revenue streams and ensuring product quality. Despite the uncertainty and challenges in the market, we hold a cautiously optimistic view of our business for 2024/2025. We are committed to seeking improvements to expand and enhance our market presence.

USE OF PROCEEDS FROM RIGHTS ISSUE

On 9 January 2023, the Company completed a rights issue and issued 118,238,942 rights shares, on the basis of one (1) rights share for every four (4) then existing shares, at a price of HK\$0.192 per rights share (the "2023 Rights Issue"). Upon completion of the 2023 Rights Issue, the Company received net cash proceeds of approximately HK\$21.4 million (the "Net Proceeds"). The Company intended to apply the Net Proceeds as to: (i) approximately HK\$11.7 million for financing the estimated renovation costs and related expenses for setting up a new showroom and warehouse in connection with the Group's kitchen collection and furniture business; (ii) approximately HK\$7.7 million for repayment of bank loans; and (iii) approximately HK\$2.0 million as general working capital of the Group.

The following table sets forth the information in relation to the use of the Net Proceeds raised from the 2023 Rights Issue:

	Intended use of Net Proceeds as disclosed in the prospectus dated 14 December 2022	Actual use of Net Proceeds up to 30 September 2024 as originally intended	Unutilised Net Proceeds as at 30 September 2024
Financing the estimated renovation costs and related expenses for setting up a new showroom and warehouse in connection with the Group's kitchen collection and furniture business	HK\$11.7 million	HK\$11.7 million	NIL

Repayment of bank loans	HK\$7.7 million	HK\$7.7 million	NIL
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General working capital of the Group	HK\$2.0 million	HK\$2.0 million	NIL
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SUSTAINABLE DEVELOPMENT

Sustainability is embedded in the Group's business operations that create sustainable value with its stakeholders in economic, environmental and social dimensions. The Group has developed a dedicated sustainability policy which directs its operations towards the best practise in areas such as business growth, environmental protection, employment and labour practises, operating practises and community investment.

Environment

The Group endeavours to minimise pollution and protect the environment by conserving natural resources, reducing the use of energy and waste. We first implement business activities for which we bear responsibility and address environmental issues by integrating environment considerations in our business. We create the environmental awareness amongst our staff members and whenever possible and practical to do so. Our aim is to contribute to the sustainable future and be in harmony with the global environment.

Details of the Group's environmental and social policies are set out in the Environmental, Social and Governance Report which contained in the Annual Report 2023/24.

Human Resources and Remuneration Policy

The Group believes its success, long-term growth and development depend upon the quality, performance and commitment of its staff members. The Group is committed to providing equal opportunities to our staff, matching the right people with the right job, offering them a suitable platform to develop and excel in their career, maintaining a healthy and safe workplace and encouraging work-life balance.

As at 30 September 2024, our workforce was recorded at 133 employees (31 March 2024: 134). Total staff cost during the period amounted to HK\$31.6 million (six months ended 30 September 2023: HK\$30.9 million). Competitive packages are offered to attract, retain and motivate competent individuals.

Suppliers

The Group has set out a dedicated environmental and social policy to communicate with and align our sustainability expectations (including legal compliance, anti-corruption policy, environmental protection, workplace health and safety, employment practises) on our suppliers and sub-contractors. We conduct appraisals to evaluate their sustainability performance. Factors assessed include production capacity, technical capability, quality control systems, personnel quality and sustainability performance.

Customers

The Group's objective is to become one of the leading quality suppliers of architectural builders' hardware, bathroom, kitchen collections and furniture. Our goal is to enhance the brand value of the Group by managing customers' expectation of getting products that commensurate with their lifestyles. We strive to provide quality products and services to fulfil customers' needs; and to establish the brand and reputation of our Group for customers' recognition of our ability to serve them with two fundamental qualities, "sincerity" and "quality", which would enable us to build customer loyalty, allowing us to establish strong customer relationships for future businesses.

COMPLIANCE OF CODE ON CORPORATE GOVERNANCE PRACTISES

In the opinion of the directors, the Company has complied with all the code provisions in the Corporate Governance Code (the "Code") as set out in Appendix C1 of the Listing Rules throughout the six months ended 30 September 2024, except for the following:

Under the code provision D.2.5, the Company should have an internal audit function. Given the current scale of operations, the Company does not have an internal audit department. However, the Board has put in place adequate measures to perform the internal audit function. The Board reviews the Group's complex risk management and internal control systems from time to time so as to assure its adequacy and effectiveness. The Board will continue to review, at least annually, this arrangement going forward in light of the evolving needs of the Group.

COMPLIANCE OF MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix C3 of the Listing Rules as its own code of conduct regarding transactions in the Company’s securities by its directors. Employees of the Group, who are likely to possess Inside Information (as defined under the SFO) have been requested to comply with provisions no less exacting than the Model Code. Having made specific enquiry all Directors, the Directors confirmed compliance with the required standard set out in the Model Code throughout the six months ended 30 September 2024.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

The Company had not redeemed any of its shares during the six months ended 30 September 2024. Neither the Company nor any of its subsidiaries had purchased or sold any of the Company’s listed securities during the six months ended 30 September 2024.

INTERIM DIVIDEND

The Board of the Company does not declare payment of an interim dividend for the six months ended 30 September 2024 to Shareholders of the Company (2023: nil).

AUDIT COMMITTEE

The Audit Committee comprises three independent non-executive directors of the Company, namely, Mr. WAN Sze Chung (Chairman), Mr. WONG Wah, Dominic and Dr. LUK Wang Kwong. The Audit Committee has reviewed, with the management, the accounting policies and practises adopted by the Group and discussed the effectiveness of auditing, risk management and internal controls, financial reporting process including a review of the unaudited condensed consolidated interim financial statements for the six months ended 30 September 2024, the 2024/25 interim report of the Company and this announcement.

PUBLICATION OF FINANCIAL INFORMATION

This result announcement is published on the websites of the Company (www.ebon.com.hk) and The Stock Exchange of Hong Kong Limited (www.hkexnews.hk). The Company’s Interim Report 2024/25 will be despatched to the shareholders and available on the same websites in due course.

By order of the Board
E. Bon Holdings Limited
TSE Sun Fat, Henry
Chairman

Hong Kong, 22 November 2024

Website: www.ebon.com.hk

As at the date of this announcement, the Board of Directors comprises eight Directors, of which five are executive Directors, namely Mr. TSE Sun Fat, Henry, Mr. TSE Sun Wai, Albert, Mr. TSE Sun Po, Tony, Mr. TSE Hon Kit, Kevin and Mr. LAU Shiu Sun and three are independent non-executive Directors, namely Mr. WONG Wah, Dominic, Mr. WAN Sze Chung and Dr. LUK Wang Kwong.